IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

Colors in Optics, Ltd.,	:	
Plaintiff,	:	Civ. Action No. 17-cv-4046
v.	:	
Oakley, Inc.,	:	
Defendant.	:	

COMPLAINT

Plaintiff Colors in Optics, Ltd. ("CIO" or "Plaintiff"), by and through counsel, for its Complaint against Defendant Oakley, Inc. ("Oakley" or "Defendant"), hereby alleges as follows:

BACKGROUND

1. This case concerns claims of intellectual property infringement asserted by Oakley against CIO and its customer, a major retailer ("Customer") regarding two designs for sport sunglasses, designated Style 403XR and Style 436XR. Oakley has alleged that Style 403XR and Style 436XR infringe Oakley's U.S. Patents No. D705,339 and D564,571, respectively. Oakley has asserted the same patents against others, joined with non-patent claims. CIO seeks declaratory judgments, as stated more particularly herein, that CIO and Customer have not infringed any patent or non-patent rights of Oakley by their activities with respect to Style 403XR and Style 436XR.

THE PARTIES

2. CIO is a New York corporation with its principal place of business at 366 Fifth Avenue, New York, New York 10016. CIO designs, markets, and distributes eyewear including sunglasses.

3. On information and belief, Oakley is a Washington corporation with places of business in the State of New York, and in or near this judicial district, at 560 Fifth Avenue, New York, New York 10036; 1515 Broadway, New York, New York 10036; 630 Old Country Road, Garden City, New York 11530; and 484 Evergreen Court, Central Valley, New York 10917.

4. On information and belief, Oakley is a subsidiary of Luxottica U.S. Holdings Corporation.

5. On information and belief, Luxottica U.S. Holdings Corporation is a Delaware corporation registered to do business in the State of New York as a foreign business corporation and has a place of business at 12 Harbor Park Drive, Port Washington, NY 11050.

JURISDICTION AND VENUE

6. This Complaint arises under the Patent Act, 35 U.S.C. § 1, *et seq*. and the Declaratory Judgment Act, 28 U.S.C. § 2201, *et seq*. The Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1338, and 2201.

7. This Court has personal jurisdiction over Oakley because the claims asserted herein arose in this judicial district; because Oakley resides in the State of New York and in this district; because Oakley transacts business within this district and has committed acts complained of hereinafter within this district; because Oakley derives substantial revenue from interstate commerce and has committed acts both within and without this district having injurious consequences within this district; because, on information and belief, Oakley owns, uses or possesses real property situated within the State of New York and within this district; and Oakley is otherwise within the jurisdiction of this Court. On information and belief, Oakley has systematic and continuous contacts with this judicial district and/or regularly conducts and solicits business within this judicial district. Oakley has purposefully availed itself of this forum by, among other

things, residing in and operating places of business in the State of New York including in this judicial district; deriving revenue from such activities; offering for sale, selling, and/or advertising products including sunglasses within the State of New York including in this judicial district; and has otherwise purposefully availed itself of the privileges and benefits of the laws of the State of New York.

8. Venue is proper in this Court pursuant to 28 U.S.C. § 1391.

OAKLEY'S ALLEGATIONS OF INFRINGEMENT

9. CIO supplied to Customer the Style 403XR and Style 436XR sunglasses at issue in this case.

10. Customer resold Style 403XR to the public under the name "Xersion Sunglasses" and/or "Xersion Two-Tone Sport Sunglasses." Exhibit A hereto (incorporated herein by reference) is a true and correct copy of a printout of a Customer webpage for the Style 403XR sunglasses.

11. Customer resold Style 436XR to the public under the name "Xersion SemiRimless Sport Sunglasses." Exhibit B hereto (incorporated herein by reference) is a true and correct copy of a printout of a Customer webpage for the Style 436XR sunglasses.

12. On information and belief, Oakley is the owner of all right, title and interest in and to U.S. Patent No. D564,571 (the "D'571 Patent," Exhibit C hereto (incorporated herein by reference)) and U.S. Patent No. D705,339 (the "D'339 Patent," Exhibit D hereto (incorporated herein by reference)).

13. On information and belief, in or about April 2017, a representative of Luxottica and/or Oakley alleged to in-house counsel for Customer that the Style 403XR and Style 436XR sunglasses infringed intellectual property rights of Oakley.

14. On or about May 2, 2017, a Luxottica representative with the title Assistant General Counsel, Litigation, sent an email to in-house counsel for CIO, based in New York, New York, attaching a letter drafted by Oakley's outside counsel and addressed to the legal department of Customer alleging infringement by the Style 403XR and Style 436XR sunglasses. Oakley's outside counsel was cc:ed on the email from the Luxottica representative. A true and correct copy of a printout of the email and letter is attached hereto as Exhibit E (incorporated herein by reference). The Oakley letter was emailed in Microsoft Word format and contains an automatically generated date, therefore the date printed in Exhibit E is the date of printing, not the date of the letter.

15. The Oakley letter states as follows: "As shown below, we have determined that the design of [Customer's] Xersion Semi-Rimless Sport Sunglasses (ID # 5375188) infringes the D571 Patent, and that the design of [Customer's] Xersion Two-Tone Sport Sunglasses (ID # 5371312) infringes the D339 Patent."

16. The Oakley letter further states: "We ask that you stop any further infringement of Oakley's intellectual property rights, and that you provide Oakley with an accounting of [Customer's] sales for these two eyewear models. We ask that you provide this information and confirm by May **, 2017, that you will fully comply with Oakley's requests."

17. CIO is obligated to indemnify Customer with respect to claims of infringement regarding the Style 403XR and Style 436XR sunglasses supplied by CIO to Customer.

18. Oakley has previously asserted the D'339 Patent and the D'571 Patent in litigation against third parties, joined with non-patent claims including claims for trade dress infringement, unfair competition and false designation of origin under the Lanham Act (15 U.S.C. § 1125(a)), and unfair competition under state law. Cases in which Oakley has asserted either or both of the

D'339 and D'571 Patents joined with non-patent claims include the following: *Oakley, Inc. v. Time Plaza, Inc.*, Case No. 3:16-cv-02029 (S.D. Cal.); *Oakley, Inc. v. Moda Collection, LLC*, Case No. 8:16-cv-00160 (C.D. Cal.); *Oakley, Inc. v. Sunrayz*, Case No. 3:15-cv-01582 (S.D. Cal.); *Oakley, Inc. v. Lipopsun Int'l Corp.*, Case No. 3:15-cv-00682 (S.D. Cal.); *Oakley, Inc. v. Navajo Manufacturing, Co.*, Case No. 8:14-cv-01078 (C.D. Cal.); *Oakley, Inc. v. Global Vision Eyewear Corp.*, Case No. 3:14-cv-01545 (S.D. Cal.); and *Oakley, Inc. v. Marsalle, Inc.*, Case No. 3:09-cv-01491 (S.D. Cal.).

NON-INFRINGEMENT BY STYLE 403XR

19. The ornamental appearance of the Style 403XR sunglasses is plainly dissimilar to the claimed design of the D'339 Patent. Due to the numerous differences between the claimed design and Style 403XR, the D'339 Patent is not infringed by Style 403XR under the applicable legal standard.

20. Exhibit F hereto (incorporated herein by reference), without limitation, indicates certain of the ornamental features of the claimed design of the D'339 Patent which are different and/or absent from the Style 403XR sunglasses. The different and/or absent ornamental features referred to in Exhibit F are depicted in the D'339 Patent in solid lines, indicating that they are limitations on the claimed design.

21. Any similarities between the Style 403XR sunglasses and the claimed design of the D'339 Patent are functional rather than ornamental in nature, and do not constitute design patent infringement.

22. Upon information and belief, the claimed design of the D'339 Patent has not developed secondary meaning and acquired distinctiveness such that in the minds of the public, the primary significance of the design is to identify Oakley as the source of the product rather than

the product itself. Therefore, the claimed design of the D'339 Patent is not protectable trade dress under the Lanham Act and related state law.

23. There is no likelihood that the Style 403XR sunglasses will cause confusion as to source, affiliation, connection or association of CIO or Customer with Oakley, or as to the origin, sponsorship, or approval of the Style 403XR sunglasses by Oakley.

24. Oakley has not suffered any injury or damage as a result of CIO's or Customer's activities in connection with the Style 403XR sunglasses.

25. Oakley is not entitled to any accounting or recovery from CIO or Customer of revenues or profits from their sales of the Style 403XR sunglasses.

NON-INFRINGEMENT BY STYLE 436XR

26. The ornamental appearance of the Style 436XR sunglasses is plainly dissimilar to the claimed design of the D'571 Patent. Due to the numerous differences between the claimed design and Style 436XR, the D'571 Patent is not infringed by Style 436XR under the applicable legal standard.

27. Exhibit G hereto (incorporated herein by reference), without limitation, indicates certain of the ornamental features of the claimed design of the D'571 Patent which are different and/or absent from the Style 436XR sunglasses. The different and/or absent ornamental features referred to in Exhibit G are depicted in the D'571 Patent in solid lines, indicating that they are limitations on the claimed design.

28. Any similarities between the Style 436XR sunglasses and the claimed design of the D'571 Patent are functional rather than ornamental in nature, and do not constitute design patent infringement.

29. Upon information and belief, the claimed design of the D'571 Patent has not developed secondary meaning and acquired distinctiveness such that in the minds of the public, the primary significance of the design is to identify Oakley as the source of the product rather than the product itself. Therefore, the claimed design of the D'571 Patent is not protectable trade dress under the Lanham Act and related state law.

30. There is no likelihood that Style 436XR will cause confusion as to source, affiliation, connection or association of CIO or Customer with Oakley, or as to the origin, sponsorship, or approval of the Style 436XR sunglasses by Oakley.

31. Oakley has not suffered any injury or damage as a result of CIO's or Customer's activities in connection with the Style 436XR sunglasses.

32. Oakley is not entitled to any accounting or recovery from CIO or Customer of revenues or profits from their sales of the Style 436XR sunglasses.

FIRST CLAIM
(Declaratory Judgment of Non-Infringement of U.S. Patent No. D564,571)

33. CIO incorporates and realleges Paragraphs 1 through 32 of this Complaint as though fully set forth herein.

34. Upon information and belief, Oakley owns the D'571 Patent.

35. Oakley has alleged that that the Style 436XR sunglasses supplied by CIO and retailed by Customer infringe the D'571 Patent.

36. An actual controversy exists between CIO and Oakley as to whether Style 436XR infringes the D'571 Patent. The controversy is between parties having adverse legal interests and is of sufficient immediacy and reality to warrant the issuance of a declaratory judgment.

37. The Style 436XR sunglasses do not infringe the D'571 Patent.

38. CIO and Customer have not infringed, have not actively induced others to infringe, and have not contributed to any infringement of the D'571 Patent, by any importation, offer for sale, sale, and/or use of the Style 436XR sunglasses.

39. CIO is entitled to a declaration by this Court that the Style 436XR sunglasses do not infringe the D'571 Patent.

40. CIO is entitled to a declaration by this Court that CIO and Customer have not infringed, have not actively induced others to infringe, and have not contributed to infringement of the D'571 Patent by any importation, offer for sale, sale, and/or use of the Style 436XR sunglasses.

41. CIO is entitled to further necessary or proper relief based on the Court's declaratory judgment or decree.

SECOND CLAIM

(Declaratory Judgment of No Trade Dress Infringement, Unfair Competition, or False Designation of Origin Under the Lanham Act, and No Unfair Competition Under State Law Related to U.S. Patent No. D564,571)

42. CIO incorporates and realleges Paragraphs 1 through 41 of this Complaint as though fully set forth herein.

43. In conjunction with allegations of infringement of the D'571 Patent against others, Oakley has alleged related claims of trade dress infringement, unfair competition, or false designation of origin under the Lanham Act, and unfair competition under state law. Additionally, in Oakley's letter to Customer, Oakley demands that Customer "stop any further infringement of Oakley's intellectual property rights" generally.

44. An actual controversy exists between CIO and Oakley as to whether Style 436XR infringes Oakley's alleged intellectual property rights related to the alleged infringement of the D'571 Patent, including related claims of trade dress infringement, unfair competition, or false

designation of origin under the Lanham Act, and unfair competition under state law. The controversy is between parties having adverse legal interests and is of sufficient immediacy and reality to warrant the issuance of a declaratory judgment.

45. CIO and Customer have not committed trade dress infringement, unfair competition, or false designation of origin under the Lanham Act, and have not committed unfair competition under state law, by their activities with respect to the Style 436XR sunglasses.

46. CIO is entitled to a declaration by this Court that CIO and Customer have not committed trade dress infringement, unfair competition, or false designation of origin under the Lanham Act, and have not committed unfair competition under state law, by their activities with respect to the Style 436XR sunglasses.

47. CIO is entitled to further necessary or proper relief based on the Court's declaratory judgment or decree.

THIRD CLAIM
(Declaratory Judgment of Non-Infringement of U.S. Patent No. D705,339)

48. CIO incorporates and realleges Paragraphs 1 through 32 of this Complaint as though fully set forth herein.

49. Upon information and belief, Oakley owns the D'339 Patent.

50. Oakley has alleged that that the Style 403XR sunglasses supplied by CIO and retailed by Customer infringe the D'339 Patent.

51. An actual controversy exists between CIO and Oakley as to whether Style 403XR infringes the D'339 Patent. The controversy is between parties having adverse legal interests and is of sufficient immediacy and reality to warrant the issuance of a declaratory judgment.

52. The Style 403XR sunglasses do not infringe the D'339 Patent.

53. CIO and Customer have not infringed, have not actively induced others to infringe, and have not contributed to any infringement of the D'339 Patent, by any importation, offer for sale, sale, and/or use of the Style 403XR sunglasses.

54. CIO is entitled to a declaration by this Court that the Style 403XR sunglasses do not infringe the D'339 Patent.

55. CIO is entitled to a declaration by this Court that CIO and Customer have not infringed, have not actively induced others to infringe, and have not contributed to infringement of the D'339 Patent by any importation, offer for sale, sale, and/or use of the Style 403XR sunglasses.

56. CIO is entitled to further necessary or proper relief based on the Court's declaratory judgment or decree.

FOURTH CLAIM
(Declaratory Judgment of No Trade Dress Infringement, Unfair Competition, or False Designation of Origin Under the Lanham Act, and No Unfair Competition Under State Law Related to U.S. Patent No. D705,339)

57. CIO incorporates and realleges Paragraphs 1 through 32 and 48 through 56 of this Complaint as though fully set forth herein.

58. In conjunction with allegations of infringement of the D'339 Patent against others, Oakley has alleged related claims of trade dress infringement, unfair competition, or false designation of origin under the Lanham Act, and unfair competition under state law. Additionally, in Oakley's letter to Customer, Oakley demands that Customer "stop any further infringement of Oakley's intellectual property rights" generally.

59. An actual controversy exists between CIO and Oakley as to whether Style 403XR infringes Oakley's alleged intellectual property rights related to the alleged infringement of the D'339 Patent, including related claims of trade dress infringement, unfair competition, or false

designation of origin under the Lanham Act, and unfair competition under state law. The controversy is between parties having adverse legal interests and is of sufficient immediacy and reality to warrant the issuance of a declaratory judgment.

60. CIO and Customer have not committed trade dress infringement, unfair competition, or false designation of origin under the Lanham Act, and have not committed unfair competition under state law, by their activities with respect to the Style 403XR sunglasses.

61. CIO is entitled to a declaration by this Court that CIO and Customer have not committed trade dress infringement, unfair competition, or false designation of origin under the Lanham Act, and have not committed unfair competition under state law, by their activities with respect to the Style 403XR sunglasses.

62. CIO is entitled to further necessary or proper relief based on the Court's declaratory judgment or decree.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff CIO requests judgment as follows:

a. A declaratory judgment that the Style 436XR sunglasses do not infringe the D'571 Patent.

b. A declaratory judgment that CIO and Customer have not infringed, have not actively induced others to infringe, and have not contributed to infringement of the D'571 Patent by any importation, offer for sale, sale, and/or use of the Style 436XR sunglasses.

c. A declaratory judgment that CIO and Customer have not committed trade dress infringement, unfair competition, or false designation of origin under the Lanham Act, and have not committed unfair competition under state law, by their activities with respect to the Style 436XR sunglasses.

d. A declaratory judgment that the Style 403XR sunglasses do not infringe the D'339 Patent.

e. A declaratory judgment that CIO and Customer have not infringed, have not actively induced others to infringe, and have not contributed to infringement of the D'339 Patent by any importation, offer for sale, sale, and/or use of the Style 403XR sunglasses.

f. A declaratory judgment that CIO and Customer have not committed trade dress infringement, unfair competition, or false designation of origin under the Lanham Act, and have not committed unfair competition under state law, by their activities with respect to the Style 403XR sunglasses.

g. An award of CIO's attorneys' fees, and full costs and disbursements in this action; and

h. For such other and further relief as the Court may deem proper and just.

Respectfully submitted,

Dated: May 30, 2017

/s/ Bradley S. Corsello
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